GOVERNMENT OF INDIA
ELECTRONICS AND INFORMATION TECHNOLOGY
LOK SABHA

UNSTARRED QUESTION NO:2222
ANSWERED ON:15.03.2017
Bankâ€™s Cyber Insurance
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Will the Minister of ELECTRONICS AND INFORMATION TECHNOLOGY be pleased to state:

Will the Minister of Electronics and Information Technology be pleased to state:
(a) whether there is any proposal under consideration of the Government to start/lay stress on banks" cyber insurance after the demonetisation and digitisation and also the increasing cyber attacks;
(b) if so, the details thereof;
(c) the time by which it is likely to be implemented;
(d) if not the reasons thereof;
(e) the number of cases of frauds came to the notice of the Government till now and the losses incurred due to such incidents.

Answer

(a) (b) (c) and (d): Reserve Bank of India (RBI) vide circular DBS.CO.ITC.BC.No. 6 /31.02.008/2010-11 dated April 29, 2011 on implementation of recommendations of Working Group on Information Security, Electronic Banking, Technology Risk Management and Cyber Frauds, has indicated that banks may consider insurance to transfer risk to a third party, however taking due care regarding certainty of payments in the event of disruptions. Banks take decisions on having arrangements for cyber insurance as per their approved policy framework. Further, Vide Circular no. DBS.CO/CSITE/BC.11/33.01.001/2015-16 dated June 2, 2016 on Cyber Security Framework in Banks, banks have been advised to report all unusual cyber security incidents to RBI within 2 - 6 hours of detection.

(e): As of February 28, 2017, the details of the incidents reported by bank since issuance of above mentioned circular are as under:

Sl No Type of Incidents Total no of incidents reported
1 Ransomware 7
2 Distributed Denial of Service (DDos) 2
3 Phishing Attacks 6
4 Rogue Mobile Application 6
5 Card Skimming 3
6 Virus/Malware 13

Further, the details of frauds related to Credit/ ATM / Debit cards & Net Banking reported by banks during last three years and current year (From April 01, 2013 to December 31, 2016) and extent of losses occurred due to such incident is as per Tables below:
(i) All Frauds − including those involving below ` 1 lakh.
Details of frauds reported in Credit Cards/ ATM/Debit Cards and Internet Banking Categories (Amount in Lakh `)

Financial Year Credit Cards ATM/ Debit Cards Internet Banking Total (All three categories)
No. of Frauds Amount No. of Frauds Amount No. of Frauds Amount No. of Frauds Amount
2013-14 7890 5481.59 1307 823.17 303 1495.83 9500 7800.59
2014-15 10382 4231.97 2498 1385.98 203 2445.8 13083 8063.75
2015-16 9849 4597.79 6585 3126.85 34 175.31 16468 7899.95
June, September, December Quarter 2016 4557 2156.78 4064 1900.8 68 158.18 8689 4215.76
Source: FMR2 submitted by banks
(ii) Extent of loss incurred by Banks for Frauds for amount > =` 1 lakhs

Details of frauds (amount involved >= ?1.00 Lakh) reported in Credit Cards/ Debit or ATM Cards & Internet Banking - Amount in Lakh (?) - Source: FMR1

Financial Year No. of cases reported Total Amount involved Extent of Loss to banks
2013-14 978 5451.77 3225.31
2014-15 845 5169 1848.5
2015-16 1190 4019.12 2702.26
June, September & December Quarter 2016 1081 3501.88 2635.43
Total 4094 18141.77 10411.5

(iii) The Extent of loss for fraud below Rupees One lakh for the above period is not available with RBI.

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